

Message Text

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E.O. 11652: N/A

TAGS: EWWT, EG

SUBJECT: GOVERNMENT COMMISSION ENDORSES FREE ENTERPRISE IN
MARITIME INDUSTRIES

REF: 75 CAIRO 11246

1. RECENT REPORT ON MARITIME TRANSPORT FIELD, PREPARED FOR GOE BY NATIONAL PRODUCTION COUNCIL'S COMMITTEE ON TRANSPORT AND COMMUNICATIONS, COMES DOWN STRONGLY ON SIDE OF PRIVATE SECTOR ACTIVITY AND IMPLICITLY CRITICIZES MARITIME TRANSPORT MINISTRY AND PUBLIC SECTOR ORGANIZATIONS IT OVERSEES.

2. AFTER "INTENSIVE STUDY," COUNCIL CONCLUDED PRIVATE SECTOR SHIPPING AGENCIES SHOULD BE PERMITTED TO OPERATE FREELY IN EGYPT. REPORT NOTES THAT "IT HAS BEEN PROVED OVER YEARS THAT PRIVATE SECTOR AGENCIES ARE MORE EFFICIENT" AS THEY ARE UNENCUMBERED BY BUREAUCRATIC RESTRICTIONS. IN THIS CONNECTION, REPORT ALSO SAYS THAT PUBLIC SECTOR SHIPPING AGENCIES "BE FREED FROM RED TAPE" TO FACILITATE THEIR OPERATIONS. REPORT RECOMMENDS THAT PRIVATE AGENCIES PAY "PREMIUM" (TAX) ON THEIR OPERATIONS TO REPLACE LOSSES TO GOVERNMENT FOR TRADE TAKEN AWAY FROM PUBLIC ORGANIZATIONS.

3. SHIP CHANDLERY SHOULD BE SOLELY IN PRIVATE HANDS. REPORT
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ASKS GOVERNMENT TO ISSUE NECESSARY DECREES TO PERMIT THIS AND

TO REGULATE ACTIVITIES OF THIS SECTOR.

4. MARTRANS, MINISTRY OF MARITIME TRANSPORT SHIPPING ORGANIZATION, SHOULD CEASE OPERATIONS AS SPACE BOOKING AGENTS. COMMENT: IF THIS RECOMMENDATION IS CARRIED OUT, IT WOULD APPEAR CLEAR VICTORY FOR MAHMOUD ISMAIL'S ALEXSHIP COMPANY IN LONG FIGHT WITH MARTRANS (REFTEL). END COMMENT.

5. PRIVATE SECTOR FIRMS SHOULD TAKE OVER ALL STEVEDORING. COMMENT: THIS RECOMMENDATION MIGHT IMPROVE CARGO-HANDLING BY REPLACING DEAD HAND OF OVER-STAFFED BUREAUCRACY WITH SOME OLD-FASHIONED COMPETITION FOR CONTRACTS AND FOR JOBS. END COMMENT.

6. REPORT CALLS FOR "RENOVATION AND REORGANIZATION" OF SHIP REPAIR COMPANIES, WITH PRIVATE SECTOR FIRMS PERMITTED TO PARTICIPATE.

7. FINALLY REPORT CALLS FOR MASTER PLANS FOR EXPANSION OF EGYPTIAN HARBOR CAPACITY FROM PRESENT 15 MILLION TONS ANNUALLY TO 28 MILLION TONS BY 1980 AND FOR EXPANSION OF MERCHANT FLEET UP TO YEAR 2000. IT SAYS PRIVATE SECTOR SHOULD BE ALLOWED TO PARTICIPATE ACROSS THE BOARD ON FREE ENTERPRISE BASIS.

8. COMMENT: REPORT SEEKS TO ADAPT WHOLE MARITIME INDUSTRY TO NEW REALITIES OF PRESIDENT SADAT'S OPEN DOOR ECONOMIC POLICY AND TO STIMULATE IMPROVED PERFORMANCE AND FACILITIES THROUGH COMPETITION IN A FREE MARKET. WHAT ACTION WILL BE TAKEN BY GOE ON RECOMMENDATIONS REMAINS TO BE SEEN.
CHASE

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